VOC FOR IOP/FN
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ELECTION '76: THE ECONOMY -- WHOSE ISSUE?

ANNCR:

IT'S AN AXIOM OF AMERICAN POLITICS THAT MOST NATIONAL ELECTIONS, EXCEPT IN WARTIME, ARE DECIDED BY POCKETBOOK ISSUES -- AMONG THEM THE AVAILABILITY OF JOBS AND THE PURCHASING POWER OF THE FAMILY INCOME. CHARLES MEDD EXAMINES THE ECONOMY AS A POLITICAL FACTOR IN 1976.

VOICE:

PRESIDENT FORD BELIEVES THAT HIS MANAGEMENT OF THE AMERICAN ECONOMY IS ONE REASON WHY HE SHOULD BE ELECTED IN NOVEMBER, AND, NOT SURPRISINGLY, DEMOCRAT JIMMY CARTER SAYS IT'S ONE REASON WHY MISTER FORD SHOULD BE DEFEATED. WHAT IS SURPRISING IS THAT BOTH CANDIDATES BASE THEIR ARGUMENTS ON RATHER CONVINCING, IF CONTRADICTORY, DATA.

THE FORD POSITION REVOLVES AROUND THREE SETS OF ECONOMIC STATISTICS: THIS YEAR'S PROJECTED GROWTH RATE OF SIX POINT EIGHT PER CENT IS ONE OF THE HIGHEST IN THE WORLD AND NEARLY FOUR TIMES AS HIGH AS THE FIGURE RECORDED LAST YEAR; THE PROJECTED INFLATION RATE OF FIVE POINT SEVEN PER CENT REFLECTS A SHARP DROP IN CONSUMER PRICE INCREASES; AND EMPLOYMENT -- NOW ALMOST EIGHTY-EIGHT MILLION -- IS AT RECORD LEVELS, WHILE UNEMPLOYMENT IS DOWN SUBSTANTIALLY FROM ITS PEAK OF LAST YEAR. IN SHORT, THESE FIGURES -- THE REPUBLICANS ARGUE -- SHOW THE RECENT RECESSION IS OVER, THAT GOOD TIMES ARE BACK TO STAY.

BUT THE DEMOCRATS ARE NOT LETTING THOSE FIGURES GO UN-CHALLENGED. MISTER CARTER POINTS OUT THAT UNEMPLOYMENT, AFTER A YEAR OF DECLINE, HAS NOW RISEN FOR THREE CONSECUTIVE

MONTHS, LEAVING ABOUT EIGHT MILLION AMERICANS OUT OF WORK. HE SAYS THAT INFLATION -- EVEN IF DOWN -- ROSE SHARPLY DURING THE PAST SEVEN AND ONE HALF YEARS OF REPUBLICAN RULE IN WASHINGTON. AND HE ARGUES THAT REPUBLICAN STEWARDSHIP OF THE OVERALL ECONOMY HAS LEFT THE NATIONAL BUDGET WITH ITS LARGEST PEACETIME DEFICIT IN HISTORY.

WHATEVER THE VALIDITY OF THESE CONTRASTING ARGUMENTS, JIMMY CARTER ENTERS THE ELECTION CAMPAIGN WITH AN APPARENT ADVANTAGE EXPRESSED IN PUBLIC OPINION SURVEYS -- NAMELY, THAT VOTERS BY A THREE-TO-ONE MARGIN, ACCORDING TO A RECENT GALLUP POLL, BELIEVE THE DEMOCRATS DO A BETTER JOB IN ECONOMIC MATTERS. AND, A SEPARATE SURVEY BY UNIVERSITY OF ROCHESTER PROFESSOR JOHN MUELLER SUGGESTS THAT OVER THE YEARS, VOTERS TEND TO BLAME THE INCUMBENT, REGARDLESS OF PARTY, FOR ALL ECONOMIC PROBLEMS, REAL OR PERCEIVED.

BETWEEN NOW AND ELECTION DAY, MOST VOTERS WILL PROBABLY PAY LESS ATTENTION TO THE STATISTICS -- INCLUDING THOSE DESCRIBING THEIR OWN ATTITUDES -- THAN TO THE BASIC POSITIONS EXPRESSED BY THE CANDIDATES THEMSELVES. THE TRADITIONAL REPUBLICAN APPROACH CALLS FOR MINIMIZING PUBLIC SPENDING AND GOVERNMENT INTERFERENCE IN THE ECONOMY, WHILE THE DEMOCRATS PLACE A HIGHER PRIORITY ON CURING SOCIAL ILLS REGARDLESS OF THE COST. ALL YEAR LONG JIMMY CARTER HAD SAID HIS NUMBER ONE GOAL IS TO END CHRONIC UNEMPLOYMENT, BUT A FEW DAYS AGO HE STRESSED THE NEED FOR A BALANCED BUDGET, NORMALLY A REPUBLICAN THEME. IT'S A POINT THAT PRESIDENT FORD IS CERTAIN TO RAISE IN THE UPCOMING DEBATES AS BOTH MEN TRY TO CONVINCE THE VOTERS WHO IS BEST EQUIPPED TO GUARD THEIR POCKETBOOK CONCERNS IN THE FOUR YEARS AHEAD.

GH/RCS